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Attorney for Trustee

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA

In re:) In Chapter 7 Proceedings
)
WILLIAM JAY ADLER,)
10 TRUDI BARBARA ADLER,) Case No. 2:17-BK-01813-MCW
)
11 Debtors.)

_____))
12 ROBERT A. MACKENZIE,)
13 TRUSTEE,) **Adversary No. 2:17-AP-xxx**
)
14 Plaintiff,)
v.)
15)
16 SAMUEL GOLDSTEIN)
SUSAN M. GOLDSTEIN,)
)
17 Defendants.)
_____)

C O M P L A I N T

Robert A. MacKenzie, ("MacKenzie"), as trustee of the
bankruptcy estate of William Jay Adler and Trudi Barbara Adler, for his
Complaint, says as follows:

1. MacKenzie is the duly appointed trustee of the bankruptcy
estate of William Jay Adler and Trudi Barbara Adler, Bankruptcy Case No.
2:17-BK-01813-MCW.

2. This Court has jurisdiction of this matter pursuant to 28
U.S.C. §157(b) (2). This is a core proceeding.

1 3. This case was filed as a voluntary Chapter 7 proceeding on
2 February 28, 2017.

3 4. William Jay Adler and Trudi Barbara Adler (collectively
4 "Adlers" or "debtors") are the debtors in this bankruptcy case.

5 5. Samuel Goldstein and Susan M. Goldstein (collectively
6 "Goldsteins") are husband and wife. The Goldsteins reside at 6 Morrison
7 Dr., Old Bethpage, NY.

8 6. The Adlers reside at 20802 N. Greyhawk Dr., #1184,
9 Scottsdale, AZ.

10 7. According to Google Maps, it is 2,439 miles from 20802 N.
11 Greyhawk Dr., #1184, Scottsdale, AZ to 6 Morrison Dr., Old Bethpage, NY.

12 8. Susan M. Goldstein is the sister of Trudi Adler.

13 9. The Adlers had failed to pay their taxes for several
14 years, and they ran up some sizeable credit card debts (in excess of
15 \$100,000.00). So, on August 10, 2016, the Adlers hired a bankruptcy
16 lawyer to file a bankruptcy case for them. They agreed to pay the
17 bankruptcy lawyer \$3,860.00 to make their debts go away.

18 10. On August 31, 2016, just three weeks after hiring their
19 new bankruptcy lawyer, the Adlers went out and got themselves a new car
20 - a 2013 Lexus. They paid \$34,978.23 for the 2013 Lexus. They traded in
21 their 2005 Lexus, which they owned free and clear, and they put down
22 \$1,800.00. They financed the balance - \$36,450.50. So, now the Adlers
23 owed another \$36,000.00 that they didn't owe 3 weeks earlier.

24 11. When they visited the bankruptcy lawyer, the Adlers had
25 a valuable Steinway piano.
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1 12. So, after they visited with the bankruptcy lawyer, the
2 Adlers went and got a Steinway dealer to appraise the piano on August
3 31, 2016 (the same day they bought their new Lexus). The appraiser said
4 that "the piano as it stands today is worth \$26,650.00."

5 13. Instead of selling the piano to pay their creditors, and
6 to avoid losing the piano when they filed for bankruptcy, the Adlers
7 cooked up a scheme to keep the piano.

8 14. The Adlers went on line and found Ebay adds for other
9 pianos. Those adds said those pianos were available for sale for not
10 more than \$4,500.00. Of course, the Adlers never actually saw any of
11 those pianos, never had them appraised, and had no way of knowing if
12 those pianos were of the same condition and quality as the Adlers'
13 piano.

14 15. Then, the Adlers got a hold of the Goldsteins and asked
15 if the Goldsteins would send them \$4,000.00. The Goldsteins agreed to
16 do so.

17 16. In exchange, the Adlers gave the Goldsteins two things.
18 First, the Adlers signed a promissory note allegedly agreeing to pay
19 back the \$4,000.00 to the Goldsteins with interest. But, the promissory
20 note that was signed by the Adlers has no due date. It is only payable
21 if, on some future date, the Goldsteins ask for payment.

22 17. Second, the Adlers agreed to papers that purported to
23 create a lien on the piano in favor of the Golsteins for the \$4,000.00.

24 18. The Adlers then wrote a letter to the Goldsteins on
25 November 11, 2015, thanking the Goldsteins for the money and letting the
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1 Goldsteins know that the money would be used to pay their taxes and the
2 bankruptcy lawyer.

3 19. Since the Adlers had learned that they could claim
4 exemptions of up to \$800.00 in the piano, they were now covered. They
5 had Ebay adds that said that Steinway pianos were not worth more than
6 \$4,500.00, they had a lien in favor of the Goldsteins for \$4,000.00 and
7 they had their \$800.00 exemption. Thus, they were prepared to tell the
8 bankruptcy court, and the trustee, that there was no non-exempt equity
9 in the piano when they filed for bankruptcy.

10 20. The Adlers then used the money that they got from the
11 Goldsteins to pay one of the debts that they owed to the IRS, a debt
12 that they knew would not be discharged when they filed their bankruptcy
13 case. Thus, the Adlers had it all. They got rid of a debt that they
14 knew would not be discharged and they created an apparent obstacle that
15 would prevent them from losing the piano when they filed for bankruptcy.

16 21. While this was going on, the Adlers were receiving in
17 excess of \$8,600.00 per month in pension and social security income, the
18 equivalent of over \$103,000.00 per year of income. Yet, despite this
19 sizeable income that most working people would be glad to have, the
20 Adlers allegedly needed to borrow \$4,000.00 from the Goldsteins to pay
21 their non-dischargeable tax debt. Without the new Lexus, and the
22 monthly payment of \$530.00 for that loan, the Adlers could have paid the
23 \$4,000.00 to the IRS in 8 months without ever borrowing money from the
24 Goldsteins. Likewise, without hiring the bankruptcy lawyer, the Adlers
25 would have had another \$3,860.00 to pay to the IRS. Thus, there was no
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1 real reason for the Adlers to borrow the money from the Goldsteins in
2 the first place. The Goldstein loan was a sham transaction

3 22. With this steady stream of income, and since they were no
4 longer making any payments to those pesky credit card companies, the
5 Adlers continued to pile up their money. On December 14, 2016, the
6 Adlers created a new bank account at Bank of America and designated it
7 their "social security" account so that they could exempt the money in
8 that account when they filed their bankruptcy case. Then they moved
9 over \$6,000.00 into that account from their other bank accounts in just
10 two days.

11 23. The Adlers then closed all their old accounts at Wells
12 Fargo and another bank account at Bank of America.

13 24. Finally, after paying off the rest of what they owed the
14 bankruptcy lawyer to file their bankruptcy case, the Adlers sent some
15 more money to the IRS to pay the rest of their non-dischargeable tax
16 debts. On February 24, 2017, just 4 days before their bankruptcy
17 filing, the Adlers sent nearly \$6,000.00 to the IRS for their other tax
18 debts.

19 25. When they actually did file for bankruptcy on February
20 28, 2017, the Adlers failed to disclose their ownership of the piano on
21 Schedule B, or the lien in favor of the Goldsteins on Schedule D.

22 26. The Adlers finally amended their bankruptcy schedules on
23 April 18, 2017 to report the piano and the alleged lien to the
24 Goldsteins. But, even then, the Adlers said the piano was worth just
25 \$4,200.00 even though the Adlers had the Steinway dealer's appraisal at
26 over \$26,650.00.

1 27. The Adler's also "adjusted" the value of their new car in
2 their bankruptcy schedules. Although they had purchased the 2013 Lexus
3 just 6 months earlier for \$34,978.23, their bankruptcy schedules now
4 said that the 2013 Lexus was worth just \$22,480.00 and that they owed
5 Lexus Financial \$35,428.24. Thus, their trade in, and their down
6 payment, magically disappeared.

7 28. After the bankruptcy case was filed, the trustee contacted
8 the Goldsteins to obtain information about the alleged lien and the debt
9 that was allegedly owed to the Goldsteins. Samuel Goldstein admitted
10 that the Goldsteins had no interest in having a lien on the piano. He
11 said:

12 **We recognize that the value of the piano, the cost**
13 **of storage, transport, liquidation and**
14 **representation are such that it is not in our**
15 **interest to perfect the lien on the collateral.**

16
17 **We will provide you with any necessary paperwork**
18 **required to relinquish our interest in the**
19 **collateral.**

20 29. Despite the foregoing, the Goldsteins failed to respond
21 to proposed stipulations that were sent by the trustee to avoid the lien
22 on the piano.

23 30. The alleged lien in favor of the Goldsteins on the piano
24 was created and recorded for no other reason than to create the
25 appearance that the Goldsteins had made a secured loan of \$4,000.00 so
26 that the Adlers could stiff arm the trustee and their creditors with the
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1 Goldstein lien. As Samuel Goldstein admitted, the Goldsteins had no
2 real interest in having a lien on a piano that was located nearly 2500
3 miles away.

4 31. The alleged lien in favor of the Goldstein was created
5 and recorded by the Adlers to hinder, delay and defraud the trustee, and
6 the creditors of the Adlers.

7 32. The purpose of the lien in favor of the Goldsteins on the
8 piano was to create the appearance that there was no non-exempt equity
9 in the piano so that, when the Adlers filed this bankruptcy case, the
10 trustee and creditors would be misled, hindered, delayed and defrauded
11 by the alleged lien.

12 33. The alleged loan made by the Goldsteins, and the alleged
13 lien on the piano in favor of the Goldsteins, were not good faith,
14 arms' length transactions.

15 34. The transfer of the lien on the piano to the Goldsteins
16 is avoidable by the trustee pursuant to pursuant to 11 U.S.C.
17 §548(a)(1)(A) and/or 11 U.S.C. §544(a) and/ or §544(b) and/or A.R.S.
18 §44-1004(A)(1) et seq.

19 **WHEREFORE,** the trustee prays:

20 A. For the entry of an order avoiding the lien on the piano
21 which transferred to the Goldsteins pursuant to pursuant to 11 U.S.C.
22 §548(a)(1)(A) and/or 11 U.S.C. §544(a) and/ or §544(b) and/or A.R.S.
23 §44-1004(A)(1) et seq., and for the entry of an order preserving the
24 lien in favor of the bankruptcy estate pursuant to 11 U.S.C. §551.

25 B. For an award of the trustee's costs. In the event of
26 default, the trustee will request costs of \$350.00.

1 DATED July 20, 2017.

2 **TERRY A. DAKE, LTD.**

3 By /s/ TD009656
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8 Attorney for Trustee
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